

Message Text

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ACTION ARA-14

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FM AMCONSUL SAO PAULO

TO SECSTATE WASHDC 7886

INFO AMEMBASSY BRASILIA

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C O N F I D E N T I A L SAO PAULO 1902

E.O. 11652: XGDS-1

TAGS: PINT, BR

SUBJ: FORMER BANK OF BRAZIL PRESIDENT SURVEYS POLITICAL SCENE

1. BEGIN SUMMARY. FORMER BANK OF BRAZIL PRESIDENT JOST SAYS PRESIDENT GEISEL IS ISOLATED FROM HIS FORMER FRIENDS. JOST SEES SUCCESSION AS UNDECIDED BUT NEITHER OF THE FRONT RUNNERS A FRIEND OF DEMOCRATIC GOVERNMENT. HE CONSIDERS CORRUPTION IN GOVERNMENT PROBABLY WIDESPREAD BUT LACKS CONCRETE EVIDENCE. END SUMMARY.

2. PRESIDENTIAL ISOLATION - LUNCHEDED, NOT AT MY INITIATIVE, WITH FORMER BANK OF BRAZIL PRESIDENT NESTOR JOST, WHO HAS BEEN A FRIEND AND CONTACT FOR FOUR YEARS. JOST CONTINUES CRITICAL OF GEISEL GOVERNMENT. HE MENTIONED THAT HE HAD BEEN ON "TU" BASIS WITH THE PRESIDENT BEFORE HIS ELECTION (NOT SO UNUSUAL FOR GAUCHOS AS FOR OTHER BRAZILIANS BUT NEVERTHELESS A REFLECTION OF UNUSUAL INTIMACY) BUT THAT HE HAD NOT VISITED PRESIDENT RECENTLY. HE WANTED TO REMAIN A PERSONAL FRIEND OF THE PRESIDENT AFTER HE LEFT OFFICE. HE DESCRIBED PRESIDENT AS FILLED WITH HIS OWN IMPORTANCE AND CONVINCED OF THE UNIQUE SUCCESS OF HIS OWN GOVERNMENT, SO MUCH SO THAT OTHER MORE SENIOR INTIMATES OF THE PRESIDENT SUCH AS JURACY MAGALAENS AND FORMER MARSHALL CORDEIRO DE FARIA NO LONGER ENJOYED TALKING TO THE PRESIDENT, WHO SIMPLY LECTURED

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THEM ON THE VIRTUES OF HIS ADMINISTRATION.

3. PRESIDENTIAL SUCCESSION- JOST SAID HE HAD SERVED IN CONGRESS WITH GENERAL FIGUEREIDO'S FATHER AND THE LATTER WAS NEVER A DEMOCRAT. THE WHOLE PRESS CAMPAIGN ABOUT FIGUEREIDO'S DEMOCRATIC BELIEFS WAS BEING DIRECTLY ORCHESTRATED OUT OF THE PRESIDENT'S OFFICE. FIGUEREIDO WAS GEISEL'S OSTENSIBLE CANDIDATE. JOST

CONSIDERED GENERAL FROTA A DISASTER FOR BRAZIL WHO WOULD BRING ABOUT SIX MORE YEARS OF THE PRESENT UNSATISFACTORY GOVERNMENT. HE WAS LITTLE MORE COMPLIMENTARY ABOUT FIGUEREIDO, CALLING HIM AN INTELLECTUAL LIKE GEISEL WITH ALL HIS FAULTS AND NOE OF HIS VIRTUES. JOST SAID THAT FIGUEREIDO WAS DEFINITELY NOT FORMER PRESIDENT MEDICI'S CANDIDATE. MEDICI WAS BACKING FORMER CHIEF OF THE CIVILIAN HOUSEHOLD AND SUPREME COURT JUSTICE LEITAO DE ABREU, ANOTHER GAUCHO. JOST CHARACTERIZED ABREU AS A STRONG CANDIDATE, ALTHOUGH HE DID NOT BELIEVE HE WOULD PREVAIL. JOST'S PERSONAL PREFERENCE WAS FOR GENERAL REYNALDO DE ALMEIDA, ALTHOUGH HE SEEMED UNCONVINCED OF THE LATTER'S EVENTUAL EMERGENCE.

4. GOVERNMENT CORRUPTION - JOST SAID THAT HE CONTINUED TO HEAR ON ALL SIDES OF EXTENSIVE GOB CORRUPTION BUT WAS UNABLE TO PINPOINT IT BY TYPE OF GRAFT OR SPECIFIC RECIPIENT. THE NUMBER OF CASES SUCH AS THE BANCO ECONOMICO CASHIER'S CHECKS, THE UEB FINANCIAL CONGLOMERATE COLLAPSE, AND THE LUTFALLA INSOLVENCY, ALL REVEALED OUTWARD SIGNS WHICH WOULD NORMALLY INDICATE GOVERNMENT CORRUPTION. IT WAS DIFFICULT TO SAY, HOWEVER, WHETHER IT WAS CORRUPTION OR SIMPLY GOVERNMENT INCOMPETENCE. HE WENT ON TO CITE AN EXPORT CASE, WHERE A FRIEND HAD ATTEMPTED TO PROVE GOVERNMENT COLLUSION WITH A CHOSEN EXPORTER A YEAR AGO AND NOW HAD A NEW CASE IN SUBSIDIZED RICE EXPORTS.

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Message Attributes

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Sent Date: 21-Jul-1977 12:00:00 am
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